

## MamaEarth: Navigating Growth beyond babycare

In February 2022, Honasa Consumer Private Limited (HCL), the parent company of personal-care brand Mamaearth, acquired BBlunt, a hair-care and styling-products business, from Godrej Consumer Products Limited. This deal, worth about **1.34 billion** was termed a "significant milestone" for BBlunt by the company's chief executive officer, Spoorthy Shetty, who said it was "a win-win situation for both companies." A month earlier, in January 2022, HCL had raised **US\$52 million** in a financing round led by Sequoia Capital, for a valuation of **US\$1.2 billion**, becoming the first unicorn of 2022.

Mamaearth, founded in 2016, started as a direct-to-consumer (D2C) personal-care brand after the founders, Ghazal and Varun Alagh, incorporated HCL. The idea for Mamaearth was born out of the need to solve a challenge the husband-and-wife duo faced when their infant son was battling a skin condition and local remedies only exacerbated the situation. The company saw tremendous growth from 2019 to 2021: from operating revenue of ₹168 million in the financial year (FY) 2019 to 1.09 billion in FY 2020 and 24.61 billion in FY 2021. Mamaearth also crossed an accounting rate of return (ARR) of ₹7 billion in April 2021. In a competitive personal-care market landscape, Mamaearth now faced a challenge in taking the next leap forward: it needed to grow its market, retain its sustainable positioning, determine its consumer segment, and build a communication strategy around these factors as a trusted, toxin-free skin-care and hair-care company.

### COMPANY BACKGROUND

The genesis of Mamaearth could be traced back to a moment of parenting stress faced by co-founders Varun and Ghazal. Their newborn son was suffering from an allergic skin condition, and the toxin-containing baby-care products in the markets only seemed to exacerbate the problem. The fraught parents had to resort to asking friends and relatives traveling abroad to bring home toxin-free baby-care products for them. The Alaghs realized that they were not the only parents facing this predicament. The couple also found out that most baby-care products available in India at that time not only contained toxins and were unsuitable for babies with sensitive skin; they were also inferior to products the couple sourced from abroad. As Ghazal noted, "We found there were certain toxins that were banned in countries outside India and were declared to be harmful to baby skin, but were still being widely used here. And that is what led us to think that somebody should do something about it." As it seemed like too good a business opportunity pass up, in **2016**, the Alaghs came up with the idea of a made-in-India toxin-free baby-care product that would save them the hassle of importing toxin-free products for their son and help other parents in need of such baby-care remedies.

The Alaghs initiated market research targeting new parents, which revealed that most parents were concerned about the presence of chemicals and toxins, particularly in baby-care products available in the market, that were harmful for babies. The founders decided to tap this unmet consumer need and market niche, and Mamaearth was born out of the need to fill this gap. The Alaghs soon started gamma testing a few baby-care products with a sample group of mothers, including Ghazal herself, before launching them with the mission "to provide natural and toxin-free products for baby skin and help alleviate the stress of new parents."

With 25 million children born in India each year, the country accounted for nearly one-fifth of the world's annual childbirths. This provided a huge market base for the Mamaearth team, which realized that young parents were searching for safe and natural remedies for their newborns. Indian parents of newborns used a mixture of traditional remedies and commercial baby-care products. For example, rural parents used coconut, sesame, or mustard-seed oil for baby massage, depending on the tradition in the region, while urban parents usually relied on commercial products but were not too convinced about their quality or safety.

**Mamaearth was officially launched in December 2016 as a digital-first fast-moving consumer goods (FMCG) business with six basic baby products: massage oils, body wash, shampoos, lotions, rash creams, and diapers. It soon diversified into skin-care and hair-care products for men and women, growing to nearly 140 stock-keeping units (SKUs) in the baby-care, skin-care, and hair-care segments. Within five years of its launch, Mamaearth was recognized as one of India's fastest-growing brands in the FMCG sector. By 2021, it had achieved an annual revenue run rate of 5 billion and served more than 5 million consumers across 500 cities, with revenues coming from its D2C platform, offline channels, and e-commerce marketplaces such as Amazon, Flipkart, and Nykaa.**

### A Successful Formula

Mamaearth's key to succeeding in the fiercely competitive baby-care market was "finding the key to the problem," which meant analyzing prevalent alternatives to understand why they were not working. The company revisited Ayurvedic and scientific research when developing formulations. It proclaimed, "We live to spread a little love and goodness every day. Our mission is to bring you the best of nature through our purest and most nurturing products that are made without any toxins or harmful chemicals." The ingredients the company used were also examined by a chemist for

bioaccumulation (i.e., how they built up in our bodies); persistence (i.e., how they built up in the environment); and general and aquatic toxicity, making Mamaearth the country's leader in terms of meeting such standards. In 2016, Mamaearth was the first brand in Asia labeled as using Made Safe-certified products. Mamaearth's products were also certified by People for the Ethical Treatment of Animals (PETA) as they were not tested on animals, and the company was one of the few plastic-positive brands that recycled more plastic than it used. Another of Mamaearth's success mantras was to involve mothers when developing products. Ghazal, the self-titled chief mom of Mamaearth, said hers was a company "by the moms, for the moms and through the moms." The company engaged over 1,000 young moms when "conceptualizing, trying, testing, and formulating the products." The moms were expected to use the products and give constructive feedback before the products would be approved for mass production. Mamaearth also used influencer moms to promote its toxin-free products and the brand itself on social media.

### Appealing to Both Reason and Emotion

Since its inception, Mamaearth has targeted new mothers struggling with motherhood's trials and tribulations. That a "mom-powered company" was working on providing toxin-free quality baby products resonated with the initial target customer: the mother. While the initial customer base included parents who made decisions based on research, the company soon realized that the need for chemical and toxin-free personal-care products was not restricted to babies. They began to appeal to the larger, more aware modern customer segment that needed and wanted toxin-free, safe, and gentle products that had a traditional touch yet were backed by scientific research and had hygienic, high-quality packaging. The brand's D2C go-to-market strategy was instrumental in increasing awareness and a loyal consumer base and, by extension, had an impact even in the offline channels. Armed with the knowledge that it could extend its brand beyond baby-care products, Mamaearth diversified into skin-care and hair-care products for adults. In 2016, Mamaearth had a negligible offline presence, and 90 per cent of its pre-COVID-19 revenues came from online channels. During the lockdown in 2021, however, as major brands pulled out of brick-and-mortar outlets and jumped onto the e-commerce bandwagon, Mamaearth went from 3,000 physical stores to 10,000 stores." The niche brand also found just as much success offline as it did online. To keep the expansion going, Mamacarth planned to make its products available across more than 100 cities and 40,000 retail outlets.

## MARKETING MIX

The Mamaearth brand took into account the four Ps of the marketing mix: product, price, place, and promotion, as outlined below.

## Product

As the only Asian start-up with a Made Safe certification, Mamaearth had a toxin-free product range that included baby-safe formulations for body wash, shampoo, body lotions, mosquito repellents, wipes, and diapers (see Exhibit 1). The company's beauty and personal-care products, while also toxin free, incorporated traditional Indian formulas and came in ready-to-use jars. For instance, Mamaearth capitalized on the ancient tradition of applying onion juice to the scalp for hair growth and launched onion hair oil to prevent hair fall. The traditional ubtan, or face mask, recipe was packaged in the company's range of ubtan face masks and face washes for glowing skin. When creating products, Mamaearth took inspiration from several ancient remedies from Ayurveda, the natural system of medicine that originated in India more than 3,000 years ago. Some other unique product offerings for children and babies included 100 percent natural plant-based toothpaste and India's first bamboo-based baby wipes.

The company subsequently launched a whole range of skin- and hair-care products with natural ingredients such as onion, cocoa, charcoal, and ubtan. While its innovative vitamin C range promised radiant skin, the traditional bhringamla, an Ayurveda-inspired product, promised natural radiance." All product ranges, including face washes, face scrubs, face masks, face serums, sleeping masks, sheet masks, sunscreens, moisturizers, toners, and gels, addressed various skin concerns and were crafted for different skin types. While the skin care range offered included body lotions, body butter, body yogourts, body scrubs, hand creams, and such, the hair range included hair masks, shampoos, conditioners, and natural oils such as onion, rice, bhringamla, argan, and tea tree."

Mamaearth's product experimentations were largely successful. The products containing vitamin C and turmeric, which the company had launched during the COVID-19 pandemic, became immensely popular. These face washes, face serums, and skin-care products, which were like traditional home remedies, sold out fast and encouraged the brand to create and add more products to its inventory. The continuous addition of new products that aligned well with the needs of the market gave the impression that Mamaearth understood the needs of consumers and the trends in the marketplace. This continuous product iteration, based on feedback received from an independent external agency, was indeed a major plus, a key differentiator for a nascent D2C brand, and a promising strategy to stay afloat in the market against giant conglomerates operating in the personal-care segment."

## Price

Mamaearth priced its baby-care range at a marginal premium-as little as 250 compared to readily available baby-care products in the Indian market. As the urban millennial health-aware consumer was willing to pay a premium for natural remedies, Mamaearth's products, which were priced 15-20 per cent higher than those of the competition, found acceptance. In addition, the company followed a left-to-right pricing cue strategy, which set the price of most products to end with 9 (e.g., 199, 299, 249, 399, 499, and so on) to denote a bargain."

Mamaearth's premium pricing strategy and toxin- and chemical-free positioning created a favorable image in the minds of first-time parents, who were willing to pay more to get the best for their babies. The Mamaearth product range was available at a higher price point than those of major competitors Himalaya Wellness Company (Himalaya) and Johnson & Johnson Private Limited (Johnson & Johnson) (see Exhibit 2). While Mamaearth's 100 milliliter (ml) Moisturizing Daily Lotion for Babies/Kids was priced at 2125, Johnson & Johnson's All-Day-Long Moisturizing Lotion and Himalaya's Baby Lotion were both available for 295. Mamaearth also bundled its products: for instance, its Onion Hair Oil was part of its hair-fall prevention spa range product triad of Onion Hair Oil, Onion Shampoo, and Onion Conditioner for Hair- Fall Control, priced together at ₹1,097.4 Despite premium prices, the company did not levy any delivery charges on orders above 2399 on its website and mobile applications. It also provided discounts of 12-50 per cent on select products sold on its own website and via other e-commerce sites, such as Myntra.

## Place

Being a digital-first brand proved to be beneficial for Mamacarth as the company's target consumer base was technology-savvy parents who looked online for endorsements and information related to products. The company started with baby products in 2017 and quickly garnered attention. The company's strategy was to acquire customers by selling only online through the official Mamaearth website and via e- commerce sites such as Amazon, Flipkart, FirstCry, and Nykaa. As the brand grew, the Alaghs realized the company needed to be present in offline stores. As Varun noted, "The biggest problem in brick and mortar is discovering you are in a 5,000-SKU store. That is the biggest pinpoint of a start-up. The journey has become easier because offline wants us. We are in 500-odd stores. The digital marketplace, combined with the promotional strategy of creating personal connections with consumers through an omnichannel approach, took

the brand beyond metropolitan areas and large cities to Tier 2 and Tier 3 cities and towns."

Varun felt that servicing destinations connected to more than 24,000 postal codes, which was almost 90 per cent of all postal codes in India, helped the company resume revenue levels from before the COVID-19 pandemic, after lockdown restrictions were lifted. He considered e-commerce to be "the biggest distribution equalizer in India." Because most of Mamaearth's customers were from Tier 2 cities and their peripheries, the easy accessibility of its products had helped the company successfully target and meet the aspirations of customers who would otherwise have had to commute more than 50 kilometers to acquire the company's products from a showroom or a store. The response from these areas was huge and led to a massive surge in new buyers. Even though Mamaearth had had a head start over its offline rivals by initially being in the relatively less-cluttered online space, rapidly increasing demand meant that it needed to realign its offline strategy to include more brick-and-mortar stores and outlets. Therefore, it was a natural progression to increase from around 3,000 to over 10,000 offline stores.

## Promotion

The core theme for the Mamaearth brand, when it started out, was parental anxiety and stress. High ratings for its products on online sales sites (e.g., 5,799 ratings with an average of 4.4 out of five stars for the Easy Tummy Roll-On for Digestion & Colic Relief with Asafoetida and Fennel on Amazon) confirmed the brand's high acceptance. As the consumer base and product range expanded, Mamaearth retained its core promise of providing "the best of nature. " This led to high credibility among well-informed consumers. The company's digital media and e-commerce presence successfully captured the aspirations of consumers beyond metropolitan areas and large cities, and direct connections with end-consumers and targeted marketing helped Mamaearth get a phenomenal response. Even as the company offered discounts and savings coupons, it ran successful media promotions across social media platforms, engaging YouTube "vloggers," Instagram influencers, and other social media personalities to promote Mamaearth products.

These people became the backbone of Mamaearth's product publicity and brand awareness campaigns, which highlighted the brand's unique selling proposition. The campaign pitch "Beautiful Indeed," based on the premise that beauty was within us, was another step in this direction. It had a mother explaining to a schoolgirl that doing good was equivalent to being beautiful inside. In October 2021, this advertisement garnered 54 million views on YouTube, which encouraged the brand to launch a popular

#BeautifulInDeed campaign across various social media platforms. Since its inception, Mamaearth had stood by the philosophy of "goodness inside," and its communication strategy had focused on serving a larger purpose beyond delivering product benefits.

The consumer-connection model ensured that the company put consumers first and used its customer- relations services to communicate with them. According to Varun, this relationship-building model helped consumers trust the brand to listen and develop even the smallest of products if that was what the consumers wanted. The brand used activities such as a "know your consumers" exercise for consumer feedback; a #TouchOfGoodness campaign on plant-based diapers; pandemic-awareness campaigns such as "Spread Awareness, Not Fear" and "Let Your Smile Show," which promoted safety and hygiene practices during COVID-19 pandemic lockdown periods and included distribution of free hand sanitizers all of which brought the company closer to the consumer.

#### Direct Connections with Consumers

Mamaearth followed a straightforward approach on Instagram by using illustrations and reviews from moms to appeal to its primary target audience: mothers. The brand connected directly with the audience and built trust through positive consumer reviews using authentic images. It appealed to the emotional aspects of new motherhood by addressing mothers' concerns. Product efficacy led to favorable reviews on Instagram, thereby leading to traction. Using digital media tools, the company began with Google to understand what parents were searching for and researching extensively on the Internet and the common queries and concerns that young parents had. Mamaearth's robust digital footprint showed that most of its sales came from the company's official website and the different online channels-Amazon, Flipkart, and other digital outlets that sold its products.

Twitter and Facebook became integral to the brand's marketing strategy. Influencer marketing and hashtags, which helped increase brand awareness, were the brand's most successful approaches, whereas its toxin- and chemical-free unique selling proposition established credibility among health-conscious consumers. Mamaearth used social media by running campaigns such as "Seeing is believing" on Instagram and other platforms. Mamaearth surpassed its competitors by focusing on its customers' needs and partnering with brand influencers to build awareness. It did so at a modest marketing cost compared to traditional advertising budgets. Based on the posts it needed to have shared, it chose prominent hashtags such as #MamaKnowsBest, #motherlylove, #toxinfree, #NewMamas, and #supermoms. Only a few common hashtags remained constant.

Mamaearth connected with consumers through shared experiences of the parenthood journey in photographs and videos depicting situations faced by young parents with babies. The brand's Instagram page featured mother-and-baby images, posts about common problems faced by newborn children, happy memories recalled by parents, and post-pregnancy and pre-pregnancy stories, which consumers found to be relatable. This approach created massive engagement and added stickiness to the company's campaigns and posts.

The Instagram posts were focused on how consumers should use Mamaearth products. They outlined the benefits of using Mamaearth products and showed solutions to common baby-related problems through short videos and infographics. In combination with the company's word-of-mouth strategy, the Instagram posts helped mothers gain trust in Mamaearth and purchase the products. Illustrations, real-life images, stories, and quotes about mother-and-baby bonding and shared experiences, as well as reviews and product images, emphasized the toxin-free, natural, and safe-for-babies image of the brand. Mamaearth also held occasional contests and encouraged people to participate. In 2022, the company had over 300,000 followers on Facebook, 28,000 followers on LinkedIn, 1 million followers on Instagram, and 75,000 subscribers on YouTube.

### Brand Ambassadors

Mamaearth benefitted from the influence of various brand ambassadors. For example, the Indian film actress Shilpa Shetty was a mother and health-and-fitness influencer. The actors Kalki Koechlin and Sumeet Vyas had starred in the film Ribbon, which dealt with unwanted pregnancy and child care difficulties. Sara Ali Khan was one of India's leading young actresses.

### Television Advertising

Initially, Mamaearth was reluctant to embrace television commercials, which the company considered traditional and outdated, but later decided to explore the medium's wide reach. One commercial featured a woman with tears in her eyes from chopping raw onions to extract its juice, referencing the traditional practice of dealing with hair-fall issues, until Mamaearth Onion Hair Oil is instead recommended to prevent hair fall with the goodness of sulfur-rich onions.

## BEAUTY AND PERSONAL-CARE MARKET IN INDIA

In 2021, India's beauty and personal-care industry had revenues of approximately **US\$26,853 million** and was expected to increase by a compound annual growth rate (CAGR) of **8.5 percent** annually between 2021 and 2025. The personal-care segment was the highest earner, with approximately **US\$12,261 million in 2021**. Hindustan Unilever Limited (HUL), Dabur Limited (Dabur), Marico Limited (Marico), Godrej Consumer Products Limited (Godrej), and Procter & Gamble Hygiene and Health Care India Limited (Procter & Gamble) were the market leaders. **In 2021, HUL emerged as the top company in the personal-care sector, achieving net sales of approximately 382.24 billion. Dabur was second in the industry with net sales of approximately 62.73 billion.**

Some drivers of this sector's growth were young shoppers, new-age brands, increasing purchasing power, the rise of social media and beauty influencers, and a growing presence of products on e-commerce sites. An influx of D2C brands and an online marketplace led to booming sales in the beauty and personal-care sector. In addition to online modes like e-commerce sites and company websites, products were also distributed through various offline channels such as convenience stores, supermarkets, hypermarkets, pharmacies and drug stores. **The pandemic accelerated the demand for e-commerce purchases of skin-care and hair-care products, boosting brands like Mamaearth, which had a robust digital presence. Also, many large multinational employees migrated temporarily or permanently to their hometowns as working from home became the new normal, and this drove online sales growth during the pandemic. These consumers not only ordered products online but also introduced their friends and families to these brands.**

## Major Players

### Johnson & Johnson Consumer Products India

Johnson & Johnson Consumer Products India was a subsidiary of Johnson & Johnson, a leading health care company. The company's consumer products division was a leader in baby-care products and carried some skin-care brands, most notably Neutrogena. Founded in 1886 in the United States by Robert Wood Johnson, the brand was positioned as the "world's largest and most broadly-based healthcare company... committed to using our reach and size for good." Its products ranged from baby oil to shampoo, and it had launched the first shampoo specially formulated to be mild for babies' eyes. **The brand had been synonymous with baby skin products for decades before the new category of toxin-free baby products had appeared. The company claimed that its products had no fragrance allergens and that 96 per cent of ingredients were of natural origin and thus, safe for babies.** However, it

**faced backlash in recent years including allegations about the presence of toxins in its products, tarnishing the brand's image. The company experienced a steep 49 per cent decline in revenues for FY 2021-22, down to 29.11 billion.**

Hindustan Unilever Limited

HUL was a subsidiary of the UK company Unilever. A consumer goods company, its product portfolio included food and refreshments, cleaning agents (home care), beauty and personal-care products, water purifiers, and other FMCG products. Half of HUL India's FMCG sales came from the household and personal-care market. HUL was the leader in the Indian FMCG market with over 44 brands in 14 different categories. In India, 90 per cent of households used at least one HUL brand. **For FY 2021-22, the company's revenue contribution from beauty and personal care was around 39 per cent.** The beauty and personal-care category consisted of products in subcategories such as skin care, hair care, cosmetics, skin cleansing, deodorants, and oral care. Some of the most popular brands were Sunsilk and Clinic Plus shampoos; Axe deodorant; Lakmé, Dove, and Ponds beauty products; Lux, Hamam, and Lifebuoy soaps; and Pepsodent and Close-Up toothpastes. HUL had a strong distribution network and rural penetration. **The beauty and personal-care category saw a total revenue of 191.57 billion during FY 2021-22, which was around ₹14 billion more than the revenue in FY 2020-21.**<sup>89</sup>

Himalaya Wellness Company

Himalaya, an Indian multinational pharmaceutical company, was established in 1930 as the Himalaya Drug Company. Supported by a large team of more than 290 researchers who utilized Ayurvedic herbs and minerals, the brand positioning focused on "bringing to people the promise of nature's healing power, harnessed through scientific research." It emphasized the purity of nature in the quality of its products and the promise of good health as a benefit. Himalaya Herbal Healthcare, present in 106 countries worldwide, boasted of an extensive product portfolio, spread across animal-health products, baby-care, personal-care, pharmaceuticals, well-being, and nutrition. Himalaya had perfected its brand value by providing robust problem solutions that offered comprehensive natural solutions for skin care, oral care, or hair care. **Himalaya entered the baby-care category in 2007, with a vision of bringing the traditional Indian science of Ayurveda to society in a contemporary form. The contribution of this particular category was about 15 percent of the company's total turnover. In 2016, the company launched its Mothercare products, which were also backed by extensive research and development and based in India's ancient Ayurveda medicinal system.**

## Bio Veda Action Research Private Limited

Vinita Jain founded Bio Veda Action Research Private Limited (Biotique) in 1992. Biotique's product positioning was a blend of Ayurvedic therapies and 21st-century biotechnology. The company created products based on traditional home remedies (e.g., multani mitti, or Fuller's earth, for lifting and tightening skin and lightening dark spots) and claimed to use only those ingredients and nothing else." Its product range included ingredients like basil, almonds, aloe vera, avocado, sandalwood and cucumber." In other words, it stressed keeping its products 100 percent natural. Biotique's product range included hair care, skin care, and oils for hair and body. Biotique's baby-care range of products was launched in 2016 and included shampoos and moisturizers. The company collaborated with The Walt Disney Company (Disney) to make products like Snow White Children's Shampoo, Mickey Mouse Baby Powder, and Cars Body Wash. According to the founder, the logic behind the brand was that babies were born with flawless skin, which could be preserved by using Biotique products from as young an age as possible. Initially, the products were sold only in Switzerland at roughly five to eight times the selling price in India. Sales were expanded to India in 1994, and in 2019, the company was valued at US\$1.5 billion. Biotique's top-selling products included its Bio Morning Nectar moisturizers, Bio Green Apple shampoos and conditioners, and Bio Morning Nectar facewashes.

## Dabur India Limited

Dabur, founded over 130 years ago, described itself as "India's most trusted name. " The company was built on a legacy of quality and experience and was present in key consumer product categories such as hair care, healthcare, home care, foods, oral care, and skin care. It was the largest Ayurvedic and natural healthcare company in the world. The company's portfolio included over 250 Ayurvedic and herbal products sold across 100 countries through a broad network of 6 million distribution and retail outlets, with high penetration in urban and rural markets. In 2011, Dabur entered professional skin-care. An entire range of Ayurvedic baby products was introduced in 2019 and launched on various e-commerce sales platforms. In 2020, the company launched Dabur Tulsi Drops, an immunity booster, expanding into the over-the-counter healthcare sector. This immunity booster was a well-timed Ayurvedic remedy that effectively helped build respiratory health and protected users from coughs and colds. Dabur's baby-care portfolio also expanded with the launch of eight new products. The launch of Vatika face wash in September 2021 heralded the entry of Dabur into the face wash category. The company expanded the portfolio of its sub-brand Vatika with the launch of Vatika Germ Protection Shampoo and Vatika Select, a range of premium shampoos. Dabur's total revenue from the domestic market in FY 2021-22 was approximately 80.12 billion.

## Patanjali Ayurved Limited

Patanjali Ayurved Limited (Patanjali) was started in 2006. The company's product portfolio included food, personal-care, Ayurvedic, and cosmetic items. Patanjali's core value proposition came from the concept of Ayurveda, a medicine system with historical roots in the Indian subcontinent. Patanjali had combined Ayurvedic and herbal ingredients to emphasize its advantages of natural and organic materials. Patanjali indicated how natural every aspect of its products was, making them superior to those of their rivals. Patanjali's personal-care category consisted of skin-care, body-care, dental-care, eye-care, hair-care, and shishu-care (baby-care) products. The company claimed that all its products contained natural ingredients and that it was committed to providing chemical-free herbal products that did not harm the health of consumers. The company's success was credited to the transition of consumers from multinational-owned non-Ayurvedic brands to Indian herbal products. In addition, **the company's products were priced approximately 15-20 per cent lower than competitors**. Patanjali had established a marketing collaboration with Future Group, making available over 300 Patanjali products across 77 categories in numerous cities through stores such as Big Bazaar in more than 250 cities. Patanjali had more than 5,000 franchise outlets in multiple metropolitan areas, Tier 2 cities, and Tier 3 cities across India. Patanjali Ayurved recorded a total revenue of **₹98.7 billion** in 2021.

## EVOLVING INDIAN CONSUMER BEHAVIOUR

The beauty and personal-care industry in India had witnessed exponential growth over the last few years, especially since the beginning of the COVID-19 pandemic, as consumers felt a greater need for hygiene and personal care. Further, rising incomes and exposure to new ideas and trends had also resulted in added interest toward this sector. In addition, a strong trend found that Indian consumers were favoring Indian brands over international brands in personal and home-care products. The use of Indian herbs, Ayurvedic ingredients, and natural organic products that suited Indian skin better than the chemicals used by international brands were reasons for this rising preference. Shopping for beauty and personal-care products has gained significant traction in the last few years owing to the steep adoption of e-commerce. Initially, only smaller brands had used the DTC route. However, the COVID-19 pandemic had forced established brands to also adopt this model, giving impetus to DTC brands that had been launched in the previous five years. Mamaearth had benefited from its first-mover advantage as a DTC brand. In 2022, metropolitan areas and Tier 1 cities were key markets. However, given the change in consumer behavior, the sector was poised to expand into Tier 2 cities and grow at a CAGR of 10 per cent. Established companies were evaluating their

product portfolios as most consumers seemed to be moving toward self-care and consumption of natural products after the pandemic.

## WAY FORWARD

In 2016, Mamaearth made the bold decision to challenge the multinational market leader Johnson & Johnson's toxin-free claims. This competitive stance was well timed, considering that the highly established Johnson & Johnson had been receiving low customer approval ratings over its use of toxic substances in baby products. Despite the presence of established players such as Johnson & Johnson, Unilever, Emami Limited, Dabur, and Patanjali, as well as the emergence of many other companies with toxin-free philosophies, Mamaearth was able to hold its own and establish itself as a niche brand among young parents. In less than six years since its launch, Mamaearth had established itself as a brand that offered toxin-free baby-care products. With rapid success, it has expanded the brand to cater to customers looking for alternative options for themselves by introducing a range of natural skin- and hair-care products for adults. Mamaearth went from being a baby-care brand to becoming a trustworthy name in the personal-care segment. To strengthen its hair-care range, the company also acquired BBlunt, a hair care brand from Godrej Consumer Products that was popular with millennial consumers. BBlunt had been used by celebrities and excelled at "transferring the salon experience into consumers products." Its product line complemented Indian hair, weather, and water conditions.

Mamaearth was considering several options for growth, including entering other product categories (e.g., sheet masks, face and hand creams), focusing on product innovation, launching new brands, growing inorganically, and expanding its current portfolio across borders. Another option was to expand brand distribution. It could focus more closely on offline retail channels in metropolitan areas, large cities, Tier 2 cities, Tier 3 cities, or smaller towns. Mamaearth could also consider holding frequent promotional pricing strategies or setting lower overall price levels to promote product trials. The idea was to attract new customers or increase purchases from current customers. Established brands such as Himalaya, Dabur, Proctor & Gamble, HUL, Johnson & Johnson, and Lotus Herbals were launching aggressive campaigns to attract consumers who were seeking products made from natural ingredients rather than harmful chemicals.

**Mamaearth would need to achieve high brand loyalty. Its goal was to establish the brand in the complex personal-care market, which had well-informed customers with diverse preferences and needs who believed in thorough research before purchase. But that would come with its own challenges. What sustainability and growth strategies would Mamaearth need to focus on to retain customers' trust in its toxin-free agenda? How would it maintain its relevance among a novelty-seeking, self-educated, and self-aware consumer group? What was the best way to expand and extend its brand?**

# mamaearth™

## Navigating Growth Beyond Babycare

Case Study Analysis  
By Case Crackers



# Our Team



**Abhinav Verma**  
**Varun Alagh**



**Shruti Prasad**  
**Ghazal Alagh**



**Akancha Sharma**  
**Narrator**



**Shamik Banerjee**  
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**Aparna Jena**  
**mamaearth Team**

# 2016





# 2016













# December 2016

**First Digital  
FMCG Business**



6 YEARS LATER



# About **mamaearth**<sup>TM</sup>

- Asia's 1st MADE SAFE<sup>TM</sup> Certified brand with rigorous safety checks.
- Products created and improved with real moms' feedback.
- Transparent about every ingredient they use.
- Gentle, effective, and made from globally sourced safe ingredients.



**2016**

Launched with toxin-free baby-care products

**2019**

Operating revenue surge to ₹1.09 billion

**2020**

Operating revenue increases to ₹24.61 billion, pandemic boosts growth

**2021**

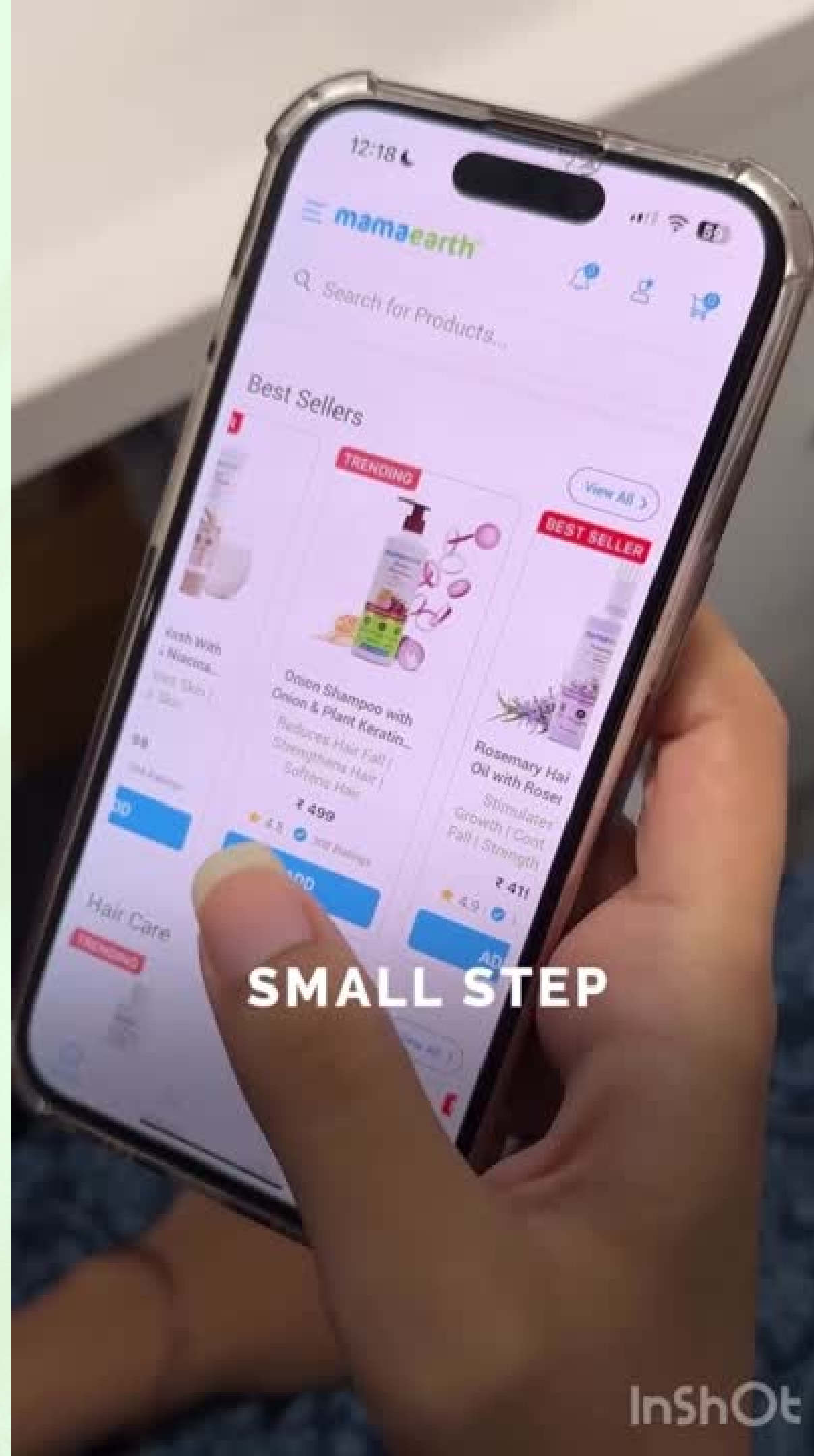
Revenue reaches ₹24.61 billion; achieves ₹7 billion ARR by April.

Expands product range, gaining visibility in skincare and hair care.

**2022**

Strengthens hair-care portfolio by acquiring BBlunt

**mamaearth™**  
retained its  
core promise  
of providing  
"the best of  
nature."



**mamaearth™**  
**had stood by**  
**the**  
**philosophy**  
**of "goodness**  
**inside"**





mamaearth™

# Strategies



# **Marketing Mix**

- Product: Toxin-free, natural, and safe personal-care products for adults and babies, tailored for Indian skin and climate.
- Place: Strong online presence (DTC and e-commerce platforms) and growing offline retail in Tier 2 and Tier 3 cities.
- Price: Marginal premium pricing with occasional promotional offers for wider accessibility.
- Promotion: Celebrity endorsements, social media campaigns, and TV advertisements to build trust and reach.

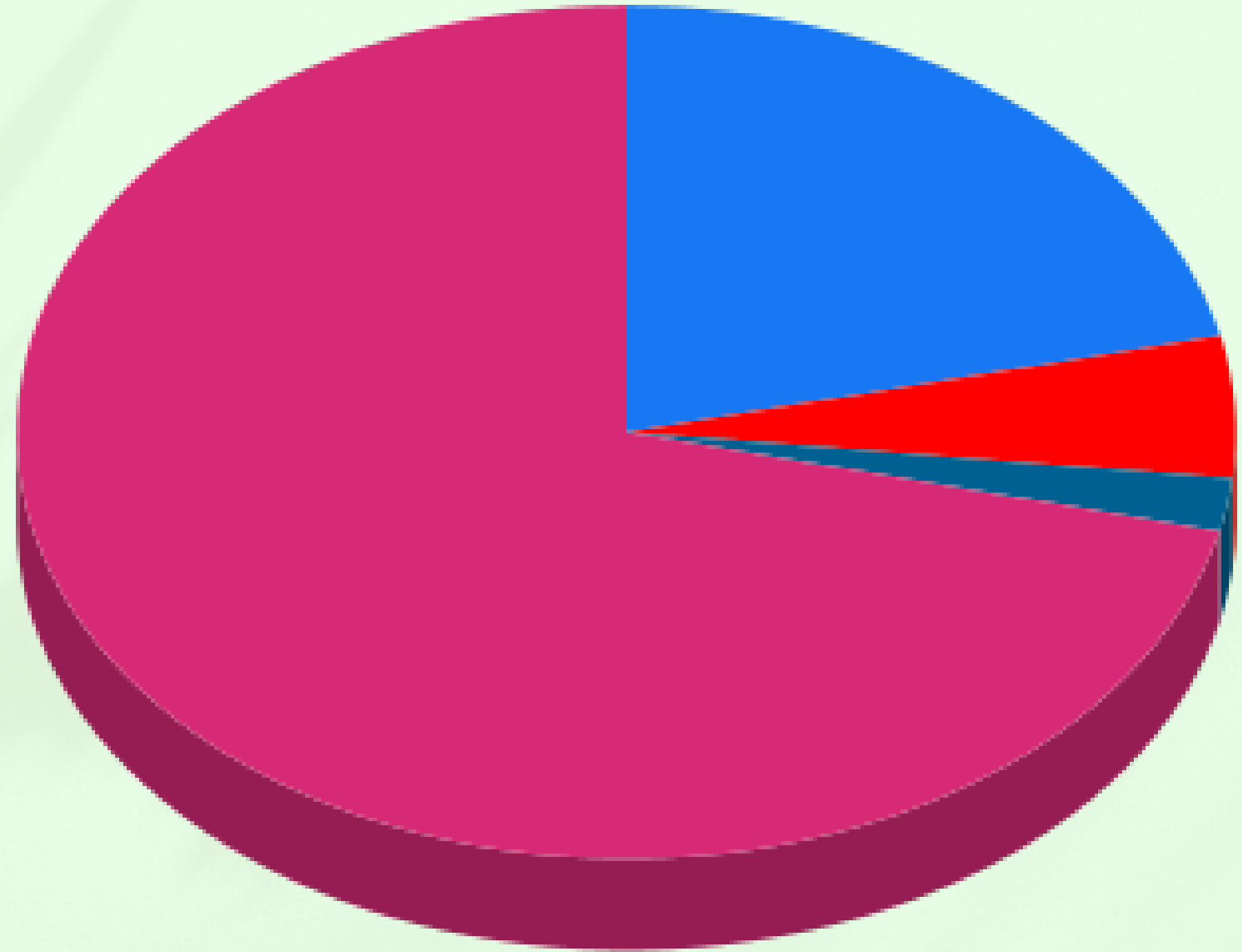
# Digital Footprint

Facebook- 300,000

LinkedIn- 28,000

Instagram- 10,00,000

YouTube- 75000



● **FACEBOOK** ● **YOUTUBE** ● **LINKEDIN** ● **INSTAGRAM**

## **Direct Connection**

- Personalized engagement through social media platforms like Instagram and Facebook.
- Transparent communication of product ingredients and benefits to build consumer trust.

## **Television Marketing**

- Targets households across metro and Tier 1 cities for mass awareness.
- Reinforces trust and positions the brand as family-friendly and safe.

# Brand Ambassadors

- Endorsed by celebrities like Shilpa Shetty, Sara Ali Khan, Samantha, Neha and many others to enhance brand appeal.





mamaearth™

**VS**

**Competitors**





## **Johnson & Johnson Consumer Products India**

- Founded in 1886 in the United States
- Has been synonymous with baby skin products for decades
- It faced backlash in recent years including allegations about the presence of toxins in its products.

## **Hindustan Unilever Limited**

- The British company Unilever, set up its first Indian subsidiary in 1933.
- It's Indian FMCG market is over 44 brands in 14 different categories.
- HUL has a strong distribution network and rural penetration.



## Himalaya Wellness Company



- An Indian multinational pharmaceutical company, established in 1930.
- Himalaya entered the baby-care category in 2007 and launched its mother-care products in 2016.
- It offers comprehensive natural solutions for skin care, oral care, or hair care.

## Dabur India Limited

- It was founded over 130 years ago.
- An entire range of Ayurvedic baby products was introduced in 2019.
- It was the largest Ayurvedic and natural healthcare company in the world.





## **Bio Veda Action Research Private Limited**

- Founded in 1992 by Vinita Jain.
- Biotique's baby-care range of products was launched in 2016.
- The company created products based on traditional home remedies.

## **Patanjali Ayurveda Limited**

- Patanjali Ayurveda Limited (Patanjali) was started in 2006.
- Patanjali had combined Ayurvedic and herbal ingredients to emphasize its advantages of natural and organic materials.
- Patanjali had more than 5,000 franchise outlets.



**MAMAEARTH**

**4.1%**

**J&J**

**4.9%**

**PATANJALI**

**16.5%**

**DABUR**

**10.5%**

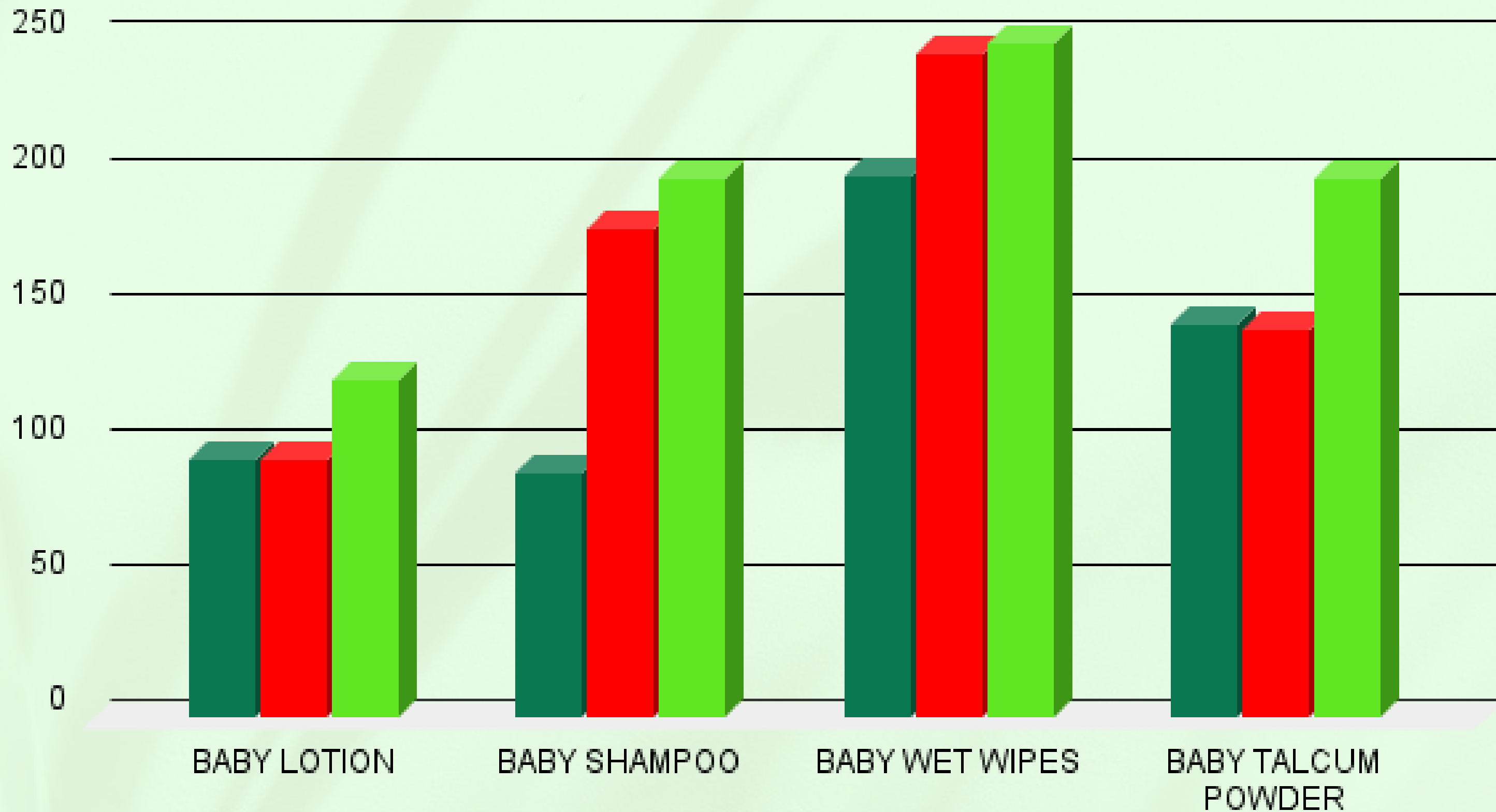
**BEAUTY AND  
PERSONAL-CARE  
MARKET IN INDIA**

**HUL**

**64.0%**



# Price comparison



# Future Challenges' of **mamaearth**<sup>TM</sup>

- What sustainability and growth strategies would Mamaearth need to focus on to retain customers' trust in its toxin-free agenda?
- How would it maintain its relevance among a novelty-seeking, self-educated, and self-aware consumer group?
- What was the best way to expand and extend its brand?



# Launch Product In More Age Categories



# Use AI To Start Recomending Personalized Products

What Is Your Age?

<12

12-18

18-25

26-35

36-45

46-55

55+

What Is Your Gender?

Male

Female

Next →

# Provide Refill For Their Products





**ASSUMPTIONS: Packaging cost = 10% of operating revenue**

**FY2019:**

**- Packaging Cost: ₹168 million × 10% = ₹16.8 million**

**FY2020:**

**- Packaging Cost: ₹1,090 million × 10% = ₹109 million**

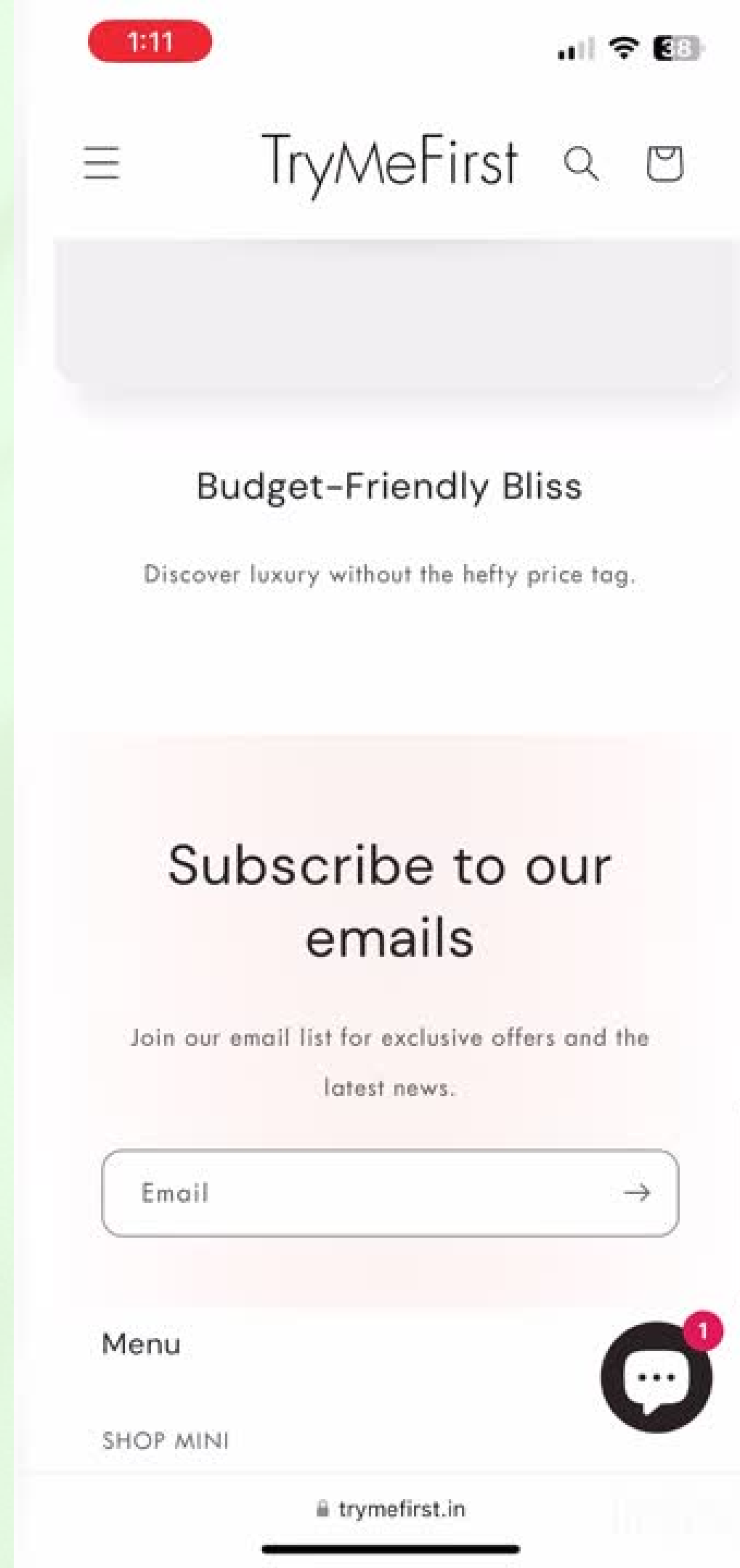
**FY2021:**

**- Packaging Cost: ₹4,610 million × 10% = ₹461 million**

**Over Three Years Total Potential Savings On Packaging Cost Could be  
586.8 million**



**Collaborate  
With  
Companies  
like TryMeFirst  
To Start  
Providing  
Sample Of  
Their Products**



# Start Men's Skin-Care Line





**Thank You**

